550 West Seventh Avenue, Suite 1770 • Anchorage, AK 99501 Telephone: 907-269-4560 • Fax: 907-269-4539

January 24, 2003

Dear reader:

The Alaska Legislature, by unanimous vote, approved legislation that was signed into law by then-Governor Knowles directing the Local Boundary Commission (LBC) through Chapter 53, SLA 2002 to "review conditions in the unorganized borough" and "report to the legislature the areas it has identified that meet the standards for incorporation."

In December, the LBC made a *preliminary* conclusion that eight unorganized regions of Alaska *may* have the financial viability to form boroughs, based on a number of economic factors such as income, poverty, and property values. The eight regions consist of the following model borough boundary areas:

- Aleutians West and Aleutians-Military (combined);
- Chatham;
- Copper River;
- Upper Tanana
- Glacier Bay;
- Prince William Sound:
- Prince of Wales Island;
- Wrangell-Petersburg.

Since then, the eight areas have undergone a more intensive review to determine whether they meet all borough standards, including those standards relating to economic capacity, population size and stability, regional commonalties, and the broad public interest.

Under the law, the LBC must submit its report to the Legislature by February 19, 2003. A **DRAFT** of the portions of the report dealing with the borough standards and the application of those standards to the eight regions noted above is enclosed for your review.

Interested individuals are invited to submit written comments on the enclosed **DRAFT** to the LBC by February 6. They may also offer oral comments during a public hearing on the matter to be conducted by the LBC through a statewide teleconference on February 8, 2003, beginning at 9 a.m. Written and oral comments that specifically address the standards for borough incorporation will be most helpful to the Commission. Background material, including guidelines to maximize the effectiveness of testimony to the Commission regarding those standards, is enclosed. Details about the opportunity to make written and oral comments are provided on the enclosed notice of the February 8 hearing.

Additional information about the review called for by Chapter 53, SLA 2002 are available at the LBC website at:

http://www.dced.state.ak.us/cbd/lbc/boroughstudy/home.htm

The LBC stresses that the submission of its report on this matter to the Legislature as required by State law does not constitute any formal action or effort by the LBC to incorporate or initiate the formal process of incorporation of any new borough. Procedures for formation of boroughs are set out in AS 29.05 and 3 AAC 110.400 - .660. Such procedures require, among other things, extensive notice to areas affected, site visits by the LBC, and formal public hearings in the area proposed for incorporation. None of these procedures have taken place with respect to the unorganized borough areas currently under review.

Similarly, submission of this **DRAFT** report to the public for comment or the final report to the Legislature does not constitute a formal proposal to incorporate a borough in any region.

Cordially,

Kevin Waring Chair

Enclosures

- Maximize the Effectiveness of Your Written and Oral Testimony to the LBC Regarding the Unorganized Borough Review
- Notice of February 8, 2003 hearing
- Draft report (Chapters 2 and 3)